

**PART 2A OF FORM ADV**

**FIRM BROCHURE**

**One River Asset Management, LLC**

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**This Brochure provides information about the qualifications and business practices of One River Asset Management, LLC (“One River”, the “Adviser” or the “Company”). If you have any questions about the contents of this Brochure, please contact William Wallin at (203) 489-1455 or by email at [will.wallin@oneriveram.com](mailto:will.wallin@oneriveram.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**One River is a registered investment adviser. Registration does not imply a certain level of skill or training.**

**Additional information about One River is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 – MATERIAL CHANGES**

Since its “*other-than-annual*” filing, submitted on January 8, 2021, One River has no material changes to report.

### ITEM 3 – TABLE OF CONTENTS

<b><u>Item</u></b>	<b><u>Page</u></b>
Item 2 – Material Changes .....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business .....	4
Item 5 – Fees and Compensation .....	6
Item 6 – Performance-Based Fees and Side-by-Side Management .....	9
Item 7 – Types of Clients.....	10
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	11
Item 9 – Disciplinary Information .....	23
Item 10 – Other Financial Industry Activities and Affiliations .....	24
Item 11 – Code of Ethics, Participation or Interest In Client Transactions and Personal Trading.....	25
Item 12 – Brokerage Practices .....	27
Item 13 – Review of Accounts.....	28
Item 14 – Client Referrals and Other Compensation .....	29
Item 15 – Custody .....	30
Item 16 – Investment Discretion .....	31
Item 17 – Voting Client Securities.....	32
Item 18 – Financial Information .....	33

## ITEM 4 – ADVISORY BUSINESS

### Item 4.A

**Describe your advisory firm, including how long you have been in business. Identify your principal owner(s)**

One River Asset Management LLC (formerly known as Peters Capital Group and, in this document, referred to as “One River”, the “Adviser” or the “Company”) was founded in March 2013 by Eric Peters, together with Steve Lisenby, Ian Malloch, and Chase Muller.

One River is a Delaware limited liability company. Eric Peters is the principal and sole manager of One River. Specifically, Eric Peters owns the majority of voting units in and serves as Chief Executive Officer (“CEO”) and Chief Investment Officer (“CIO”) of the Company.

On September 30, 2020, BHUS Holdings LLC, a Delaware limited liability company, which is part of the Brevan Howard Group (BHUS), acquired 25% equity interest in One River. BHUS’s equity interest in One River consists both of voting and non-voting units. After September 30, 2020, Eric Peters and BHUS may cooperate in developing and providing jointly managed services to investment vehicles that may become advisory clients of the Company. Eric Peters remains the principal and sole manager of the Adviser.

One River Digital Asset Management (“One River Digital”), a Delaware limited liability company, is One River’s relying adviser. One River Digital is a majority owned subsidiary of One River. One River Digital may advise One River’s private investment funds and separately managed accounts (the “Clients”) on investments in cryptocurrencies, specifically, Bitcoin and Ether, as well Bitcoin and Ether futures.

One River is an investment management firm which delivers alternative investment products and services to institutional investors. The Company provides discretionary investment advisory services to multiple private investment funds and may advise separately managed accounts.

### Item 4.B

**Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.**

Generally, One River has discretionary investment authority with respect to the Clients. Each Client’s investment objectives and strategy are set forth in its investment management agreement, constituting documents and other supporting documents, as applicable (collectively, the “Governing Documents”). Investors (“Investors”) are provided with a private placement memorandum (“PPM”) and are urged to review such document carefully.

One River offers thematic investment portfolios to a broad range of institutional investors. One River is the investment manager of the thematic investment portfolios which are typically launched using a Cayman Segregated Portfolio Company (the “SPC”) structure. Thematic portfolios are expressed as separate Segregated Portfolios (the “SPs”) within the SPC, with each SP a separate legal entity isolated from the liabilities of the other SPs. The firm believes that most well-managed hedge funds organize their portfolios using a limited number of investment themes. By offering a range of well-researched, sensibly constructed, high-conviction thematic investment portfolios to its Investors – and allowing Investors to allocate to only those themes that they want – One River is offering an unbundled hedge fund solution to institutional investors. One River believes this unbundled solution allows Investors to get the precise thematic exposures that they seek, at a timing of their choosing. One River also believes these actively-managed thematic portfolios offer Investors improved liquidity terms, transparency, risk analytics/reporting, and fees than average hedge funds. One River offers this strategy in a variety of formats, including funds-of-one, managed accounts, and comingled fund vehicles.

Client supervision is guided by the Clients’ stated objectives (i.e., asset class, instruments, maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

One River's investment recommendations will generally include advice regarding the following securities:

- Corporate debt securities (other than commercial paper),
- United States governmental securities,
- Options contracts on securities,
- Options contracts on commodities,
- Futures contracts on tangibles,
- Futures contracts on intangibles
- FX spot and forward contracts and
- Options on futures contracts on tangibles and intangibles.

Through One River Digital, One River may advise its Clients on investments in cryptocurrencies, such as Bitcoin and Ether, as well as Bitcoin and Ether futures contracts.

One River is authorized to enter into any type of investment transaction that it deems appropriate for its Clients, pursuant to the terms of the Governing Documents. One River also offers advice on futures, OTC foreign exchange products, OTC equity derivatives, OTC credit derivatives and OTC interest rate derivatives. One River does not currently advise clients on any type of investments other than those identified in this section.

**Item 4.C**

**Explain whether (and, if so, how) you tailor your advisory services to the individual needs of *clients*. Explain whether *clients* may impose restrictions on investing in certain securities or types of securities.**

One River typically tailors its advisory services to the individual needs of Investors and accepts investment restrictions from Investors as it relates to the Clients. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the Client's stated investment objectives, tolerance for risk, liquidity and suitability, as set forth in the Governing Documents.

**Item 4.D**

**If you participate in *wrap fee programs* by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.**

Not applicable. One River does not participate in wrap fee programs.

**Item 4.E**

**If you manage *client* assets, disclose the amount of *client* assets you manage on a *discretionary basis* and the amount of *client* assets you manage on a *non-discretionary basis*. Disclose the date "as of" which you calculated the amounts.**

As of December 31, 2020, One River manages approximately \$2,125,318,333 of *regulatory* assets, on a discretionary basis. One River does not currently manage any client assets on a non-discretionary basis.

## ITEM 5 – FEES AND COMPENSATION

### Item 5.A

**Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.**

Each Investor must meet certain eligibility provisions: interests in a Client are generally offered to (A) U.S. Investors who are (i) accredited investors within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act of 1933, as amended (“Accredited Investors”) and (ii) qualified purchasers as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (“Qualified Purchasers”); and (B) non-U.S. Investors. Investors and prospective Investors should carefully review the applicable Governing Documents for a detailed description of the fee schedule applicable to their respective investment.

The Clients will pay at the end of each month a management fee (the "Management Fee") to One River equal to a percentage per annum of the net asset value of the applicable Client SP and share class as of the beginning of each calendar month. The Management Fee is calculated and paid in arrears. An additional Management Fee will be charged on a prorated basis on any subscription on any date other than the first day of a calendar month, and a prorated portion of the Management Fee will be repaid to the Client and distributed to redeeming Investors on any redemption on any date other than as of the last day of a calendar month; provided that the Management Fee is in excess of the minimum per annum Management Fee. Investors should carefully review the Clients' Governing Documents for additional details regarding One River's fee schedule.

At the end of each calendar year, the Client SPs will pay One River a performance fee (the "Performance Fee") equal to a percentage of the net appreciation in the net asset value of the Client SP and share class during such calendar year in excess of the highest net asset value of such share as of the end of any prior calendar year or, if higher, on the date of issuance of such share.

In certain cases, One River may waive the Management Fee or the Performance Fee for select Investors in a vehicle. Investors should carefully review the Client's Governing Documents for additional details regarding One River's fee schedule. Fees related to One River's separately managed account Clients (when applicable) are individually negotiated.

### Item 5.B

**Describe whether you deduct fees from *clients'* assets or bill *clients* for fees incurred. If *clients* may select either method, disclose this fact. Explain how often you bill *clients* or deduct your fees.**

With respect to the private investment funds that One River manages (included in its Form ADV Part 1, Schedule D), One River typically receives its fees from the applicable Client directly from the Client's assets. Investors do not have the ability to choose to be billed directly for fees incurred.

As noted above, Management Fee is generally payable on arrears at the end of each month and the Performance Fee is payable at the end of each calendar year.

With respect to One River's separately managed account Clients (when applicable), One River does not deduct fees or other expenses directly from such managed accounts, nor does it have the authority to do so without the consent of the managed account Client. Payment of fees for One River's managed account Clients is processed via an invoice that is delivered to the managed account Client, and the managed account Client must then authorize payment.

**It is critical that Investors and Clients refer to the relevant Governing Documents, as applicable, for a complete understanding of how fees are paid to One River. The information contained herein is a summary only and is qualified in its entirety by such documents.**

### Item 5.C

**Describe any other types of fees or expenses *clients* may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that *clients* will incur brokerage and other transaction costs, and direct *clients* to the section(s) of your *brochure* that discuss brokerage.**

One River will bear the cost of all personnel, office space, office equipment, supplies and other necessary operating, administrative and clerical services, and all of their own operating expenses and all due diligence expenses (including, without limitation, all travel, lodging and meals associated with due diligence-related matters) related to actual or potential investments of the Clients (whether or not consummated).

All other expenses are borne by the Clients, including, without limitation, legal, internal and external accounting, auditing, administrator and other professional expenses, insurance, actual and proposed transaction expenses (including for transactions that fail to close), transaction-related research expenses, pricing and valuation costs and expenses, custodian fees, taxes on securities transactions and other tax services and fees, entity- level taxes, interest on borrowed moneys, brokerage fees and commissions and any other similar fees, clearing expenses, litigation expenses, expenses related to regulatory filings (including but not limited to Form PF), costs of communication with or holding meetings of Investors/Clients, expenses incurred in connection with the preparation and delivery of reports of the Clients and extraordinary expenses.

The offering and organizational expenses, including external legal and accounting expenses, incurred in connection with the offerings of interests in the Clients' are allocated to the applicable Client.

Each Client SP shall bear all expenses associated with its investment activities and operations, and will bear its pro rata share of all expenses incurred in connection with transactions effected or positions held on its behalf. Generally speaking, each SP will pay its pro rata share of Client expenses that are not specifically allocable to any particular SP (including, without limitation, custodial fees, clearing fees, brokerage commissions, interest and commitment fees on loans and debit balances, withholding or transfer taxes, research, data, trade management, and risk analytics or any other expenses described in the relevant Governing Documents).

Please refer to Item 12 of this Brochure for information regarding One River's brokerage practices.

**It is critical that Investors and Clients refer to the relevant Governing Documents, as applicable, for a complete understanding of expenses they may pay through an investment in the Clients. The information contained herein is a summary only and is qualified in its entirety by such documents.**

**Item 5.D**

**If your *clients* either may or must pay your fees in advance, disclose this fact. Explain how a *client* may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.**

Please refer to Item 5.A., above.

**It is critical that Investors and Clients refer to the relevant Governing Documents, as applicable, for a complete understanding of expenses they may pay through an investment in the Clients or through a separately managed account. The information contained herein is a summary only and is qualified in its entirety by such documents.**

**Item 5.E**

**If you or any of your *Access Persons* accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.**

Not applicable to One River.

**Item 5.E. 1**

**Explain that this practice presents a conflict of interest and gives you or your *Access Persons* an incentive to recommend investment products based on the compensation received, rather than on a *client's* needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to *clients*. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.**

The Management Fee and Performance Fee may be higher than those charged by other advisers to pooled investment vehicles or separately managed accounts. The incentive fee may also create an incentive for One River to cause the Clients to make investments that are riskier than it would otherwise make.

One River addresses this potential conflict by disclosing its fee schedule in the applicable Clients' Governing Documents, and by providing Investors with periodic reports which detail the Clients' investing activities.

**Item 5.E.2**

**Explain that *clients* have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.**

Not applicable to One River.

**Item 5.E.3**

**If more than 50% of your revenue from advisory *clients* results from commissions and other compensation for the sale of investment products you recommend to your *clients*, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.**

Not applicable to One River.

**Item 5.E.4**

**If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.**

Not applicable to One River.



**TEM 6 – PERFORMANCE-BASED FEES AND  
SIDE-BY-SIDE MANAGEMENT**

**If you or any of your *Access Persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *Access Persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *Access Persons* face by managing these accounts at the same time, including that you or your *Access Persons* have an incentive to favor accounts for which you or your *Access Persons* receive a *performance-based fee*, and describe generally how you address these conflicts.**

As described in Item 5 above, One River generally receives a Performance Fee from the Clients (although the Performance Fee may be waived or reduced for certain Investors).

It should be noted that the possibility that One River may receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for One River to make investments that are riskier or more speculative than in the absence of such performance-based compensation. In addition, certain Client SPs have higher Management Fee and/or Performance Fee arrangements that are more favorable to One River than other SPs. As such, One River has a greater incentive to favor the Client SPs that pay One River (and indirectly its investment personnel) higher performance-based compensation or otherwise pay higher fees.

One River has adopted and implemented policies and procedures intended to address potential conflicts of interest relating to the management of multiple Client accounts, and One River reviews investment decisions for all Clients on a regular basis in order to ensure that all Clients or Client SPs with similar investment objectives are treated equitably.

**It is critical that Investors and Clients refer to the relevant Governing Documents for a complete understanding of expenses they may pay through an investment in the Clients or through a separately managed account, and any conflicts that result from such fees. The information contained herein is a summary only and is qualified in its entirety by such documents.**

## ITEM 7 – TYPES OF CLIENTS

**Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

One River provides investment advisory services to the Clients, as described in Item 4 above. The minimum initial investment for Investors is either \$100 thousand or \$10 million, depending on the Fund (or SP) in which an Investor subscribes and lesser amounts may be accepted at the sole discretion of One River. The Clients are subject to a significant account minimum, subject to waiver or modification at the discretion of the One River.

In the future, One River fully expects that any new investment funds or SPs it launches will have similar eligibility and capital commitment requirements.

Minimum investment amounts related to One River's separately managed account Clients (when applicable) are individually negotiated.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### Item 8.A

**Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that *clients* should be prepared to bear.**

Investing in securities involves risk of loss that Investors should be prepared to bear. There can be no assurance that One River and the Clients will achieve their investment objectives or that the investment strategies employed by One River will be successful. Similarly, investing in commodity interests involves substantial risk of loss and past performance is not indicative of future results.

The Clients seek to achieve their investment objectives by engaging in highly speculative trading in a variety of financial assets. The Clients trade and invest by taking long and short positions in currencies, government bonds, commodities, interest rates, inflation rates, equity indices, credit indices, sovereign CDS and single name corporate securities including equities, warrants, bonds, and credit instruments. The Clients may use financial futures, forwards, swaps, options and other derivative instruments to meet its investment objective. The Clients have a worldwide scope and can buy and sell instruments or assets on a variety of exchanges around the world as well as on the inter-bank and over the counter markets. Certain of the strategies will be executed by sub-advisors on a discretionary or nondiscretionary basis under the operational and risk management of One River. One River will also execute some of the Clients' strategies directly, based on its own views and/or the advice of other parties.

**As a general matter, One River utilizes the methods of analysis and investment strategies described in the Clients' Governing Documents provided to all Investors prior to the time of an investment. The information contained herein is a summary only and Investors and prospective Investors should refer to the respective Client's Governing Documents for a complete overview of One River's methods of analysis and investment strategies.**

### Item 8.B

**For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

An investment in the Clients or a Client investment through a separately managed account involves a significant degree of risk. There can be no assurance that the Clients' targeted rate of return will be achieved or that there will be any return of capital. The environment for investments is increasingly competitive and an Investor or Client should only invest if it can withstand the potential for a total loss of its investment.

No guarantee or representation is made that the Clients' investment program will be successful. The following is a summary of some of the risks that Investors and Clients should consider:

**No Assurance of Investment Return.** There is no assurance that the Clients will be able to generate returns for their Investors or that returns will be commensurate with the risks of investing in the type of transactions described in the relevant PPM and/or other Governing Documents, as applicable. An investment in the Clients or a Client investment through a separately managed account should only be considered by persons who can afford a loss of their entire investment. There can be no assurance that the Clients' investment objectives will be achieved, or that an Investor or Client will receive a return of its capital.

**Highly Competitive Market for Investment Opportunities.** The Clients expect to encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, business development companies, strategic industry acquirers and other financial investors investing directly or through affiliates. There can be no assurance that the Clients will be able to identify or consummate investments satisfying its investment criteria or that such investments will satisfy the Clients' rate of return objective.

**Recent Developments in Global Credit and Equity Markets.** Global credit and equity markets have recently experienced, and may continue to experience, significant market events, including decreasing liquidity, declining market values, tightening of credit, valuation problems, deleveraging and mass liquidation of investment portfolios, that have generated extreme volatility and illiquidity in worldwide capital markets. The duration and ultimate effect of such market conditions cannot be predicted. Such conditions could adversely affect the market value of the Clients' investments, prevent the Clients from successfully executing its investment strategy, or cause the Clients to dispose of investments at a loss.

**Equity Securities.** The Clients may acquire long or short positions in common stocks, preferred stocks and convertible securities of U.S. and foreign issuers. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities. The market price of equity securities may be affected by general economic and market conditions, such as a broad decline in stock market prices, or by conditions affecting specific issuers, such as changes in earnings forecasts.

**Side Letters.** A Client may enter into side letters or other writings with certain Investors in connection with their admission, without the approval of any other Investor, which has the effect of establishing rights under or altering or supplementing the terms of the PPM, the governing agreements of each Client and the subscription agreement of such Client. Any rights or terms so established in a side letter with an Investor will govern solely with respect to such Investor (but not any of such Investor's assignees or transferees unless so specified in such side letter) and will not require the approval of any other Investor notwithstanding any other provision of the governing agreements of each Client.

**Fixed Income Investments.** The Clients will invest in bonds, loans and other fixed income securities and instruments, including, without limitation, second lien loans, mezzanine debt, unsecured debt and other "higher yielding" (and, therefore, higher risk) debt securities and instruments. Such securities and instruments will be primarily below "investment grade" or nonrated and may face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the obligor's inability to meet timely interest and principal payments. The market prices, if any, of such investments are also subject to abrupt and erratic market movements and changes in liquidity and above-average price volatility, and the spread between the bid and asked prices of such investments may be greater than those prevailing in other more liquid markets.

**Segregated Portfolio Investments.** Certain of the Clients are established as segregated portfolio companies in the Cayman Islands. As a matter of Cayman Islands law, the assets of one segregated portfolio will not be available to meet the liabilities of another. However, each such Client is treated as a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognize such segregation.

**Macroeconomic Factors.** The performance of the Clients' investments could be adversely affected by macroeconomic factors, including general economic conditions affecting capital markets and participants therein (such as the obligations on or issuers of the Clients' investments). Such macroeconomic factors include the recent economic downturn and continuing uncertainties affecting economies and capital markets worldwide due to the COVID-19 pandemic, which has prompted precautionary government-imposed closures of certain travel and business. It is unknown whether and how global supply chains may be affected, if such an epidemic persists for an extended period of time. Other macroeconomic factors that may adversely affect the Clients' investments include incidents of terrorism, political or social unrest and similar events; concerns about financial performance, accounting and other issues relating to various companies; and recent and proposed changes to laws and regulations affecting the financial industry, including banking, credit default swaps and other derivatives, mortgage lending, accounting and reporting standards.

**Work From Home.** In response to the spread of COVID-19, many businesses, including One River, have encouraged or mandated that their personnel work from home in an effort to help slow the spread of the coronavirus pandemic. Notwithstanding such precautionary measures, One River may still experience a significant increase in illness of its respective personnel. Work-at-home arrangements could also lead to employee fatigue, reduced collaboration and less optimal communication and supervision relative to traditional office structures which could severely impair our and/or such service providers' operational capabilities, potentially having a detrimental impact on our business and operations. To the extent personnel, as a result of working remotely, rely more heavily on external sources for information and technology systems for their business-related communications and information sharing, that business will likely be more vulnerable to cybersecurity incidents and cyberattacks and could have more difficulty resuming normal operations in the event

it is the target of such incident or attack.

**Synthetic and Other Derivative Assets.** The Clients may invest in synthetic assets such as credit linked notes, credit default swap indices, tranches options, and total return swaps, and engage in credit default swaps and loan credit default swap transactions, in lieu of investing in bonds or loans in "cash" form. Such transactions do not perfectly replicate direct ownership of the referenced or underlying assets, and present additional risks, such as exposure to the creditworthiness of the counterparty, leverage, and relatively lower liquidity. These obligations are subject to a number of risks, including prepayment risk, credit risk, liquidity risk, structural risk, legal risk, counterparty risk and interest rate risk, which may be different from those of other types of debt obligations. The performance of a reference obligation may be affected by a variety of factors, including the amount and timing of payments and recoveries on the underlying assets.

**Futures.** Futures prices are highly volatile. Such volatility may lead to substantial risks and returns, generally much larger than in the case of equity or fixed-income investments. The Clients trade futures on a leveraged basis due to the low margin deposits normally required for trading. As a result, a relatively small price movement in a futures contract may result in immediate and substantial gains or losses for the Clients.

**Currencies.** The Clients may invest in debt and equity securities denominated in currencies other than the U.S. dollar and in other financial instruments, the price of which is determined with reference to currencies other than the U.S. dollar. However, the Clients value their securities and other assets in U.S. dollars. To the extent unhedged, the value of the Client's assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the Client's investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which a Client makes its investments will reduce the effect of increases and magnify the effect of decreases in the prices of the Client's securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Client's non-U.S. dollar securities.

**Forward Currency Contracts.** The Clients may invest in forward currency contracts with banks, financial institutions or dealers acting as principal. Forward currency contracts may not be liquid in all circumstances, so that in volatile markets, to the extent a Client wishes to do so, it may not be able to close out a position by taking another position equal and opposite to such position on a timely basis or without incurring a sizeable loss. Closing transactions with respect to forward currency contracts usually are effected with the currency trader who is a party to the original forward contract and generally require the consent of such trader. There can be no assurance that a Client will be able to close out its obligations.

**Options.** The Clients may invest in, or write, options. The purchaser of a put or call option runs the risk of losing its entire investment in a relatively short period of time if an option expires unexercised. The uncovered writer of a call option is subject to a risk of loss should the price of the underlying security increase, and the uncovered writer of a put option is subject to a risk of loss should the price of the underlying security decrease.

**Swaps and Derivatives.** The Clients may invest and trade in swaps, including credit default swaps, "synthetic" or derivative instruments, over-the-counter options and other customized financial instruments issued by banks, brokerage firms or other financial institutions. Swaps and other derivatives are subject to the risk of nonperformance by the swap - counterparty, including risks relating to the financial soundness and credit worthiness of the swap counterparty. Many swaps and other forms of derivative instruments are not guaranteed by an exchange or clearing house and are subject to more limited oversight by U.S. and foreign governmental authority. It may not be possible to dispose of or close out a swap or other derivative position without the consent of the counterparty, and the Clients may not be able to enter into an offsetting contract in order to be able to cover its risk.

**Currency Hedging.** There can be no assurance that currency hedging activities in which One River engages in connection with certain SPs and share classes will be effective, and there can be no assurance that the currency hedging activities will fully protect Investors from a decline in the value of the U.S. dollar against other currencies. Investors in applicable SPs and share classes will not generally benefit when the U.S. dollar appreciates against other currencies.

There may be circumstances in which One River, on behalf of the applicable Client SP and share class, determines not to conduct any currency hedging activities in whole or in part for a certain period of time, including, without limitation, when One River determines, in its sole discretion, without notice to investors, that currency hedging

is not practicable or possible or may materially and adversely affect the Client or any of its direct or indirect Investors. As a result, foreign currency exposure could go fully or partially unhedged for that period of time.

In periods of market stress, the instruments necessary to permit hedging activity may not generally be available or may not, in One River's judgment, be economically practical. In addition, there may be instances in which counterparties might be unwilling to continue to offer currency hedges and might have the ability to terminate existing agreements relating to currency hedges and all currency hedging transactions documented under those agreements. Hedging counterparties are not contractually obligated to offer currency hedges following the maturity of a given transaction or to increase the size of a hedging transaction at One River's request. In such circumstances, the entire value in the relevant currency of such SP and share class at any given time may not be completely hedged (and may be completely unhedged) against a decline in the relative value of the U.S. dollar.

The instruments that may be used to effect currency hedges, including derivative transactions such as currency futures contracts, options on currency futures contracts, forward currency exchange contracts, swaps, swaptions, exchange-listed and over-the-counter put and call options on securities or on financial indices and various interest rate and foreign exchange transactions, entail other risks. There can be no assurance that the currency hedges will eliminate all or any of the currency risk associated with investing in foreign currencies.

**ERISA Considerations.** One River anticipates that the assets of certain Clients or SPs may, from time to time, be treated as "plan assets" for purposes of ERISA, of those Investors that are subject to ERISA. In such event, One River would be a fiduciary with respect to such Investors. In addition, in the event that the assets of a Client or SP are treated as "plan assets" for purposes of ERISA, ERISA may impose certain limitations on the operation of such Client or SP. Such limitations could result in the inability of such Client or SP to participate in certain investments or conduct business with certain counterparties. Accordingly, ERISA could materially restrict the activities of a Client or SP and, as a result, Investors should expect that such Client or SP will not be able to take advantage of certain investment opportunities, will have a different portfolio and could have a lower rate of return than if it were not subject to ERISA.

**Clients/Investors and prospective Clients/Investors are provided with relevant Governing Documents that contain detailed descriptions of the material risks related to their investment, and are advised to carefully review all risk factors set forth in the relevant Governing Documents.**

#### **Item 8.C**

**If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.**

##### **Risks Relating to Clients investing in Bitcoin and Ether**

Certain Clients of One River and One River Digital may invest all or substantially all of their assets in cryptocurrencies such as Bitcoin and Ether, as well as Bitcoin and Ether futures contracts. Specific risks relating to these types of investments are set forth in this section.

**Clients/Investors and prospective Clients/Investors are provided with relevant Governing Documents that contain detailed descriptions of the material risks related to their investment, and are advised to carefully review all risk factors set forth in the relevant Governing Documents.**

**Limited Purpose.** Other than cash held for working capital purposes, the Clients will invest solely in Bitcoin and Ether, which are new and highly speculative assets, and Bitcoin and Ether futures contracts. In the event of the Clients' insolvency, their assets may be inadequate to satisfy a claim by the Clients or an investor. The timing of the Clients' acquisition and disposition of Bitcoin and Ether will be affected by the timing of subscriptions and redemptions. The Clients will not take any steps to minimize volatility or manage risk. No guarantee or representation is made that the Clients' investment program will be successful. Bitcoin and Ether are extremely volatile and investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of One River Digital or One River Digital are not necessarily indicative of their future performance.

**Risk of Total Loss of Capital.** While all investments risk the loss of capital, investments in Bitcoin and Ether should be considered substantially more speculative and significantly more likely to result in a total loss of

capital than other investments made by most other investment funds. One River Digital and One River One River Digital will not attempt to mitigate the potential of loss of capital attributable to Bitcoin and Ether investments through the use of risk management techniques. Rather, One River Digital generally intends only to sell Bitcoin and Ether when such sales are necessary in order to satisfy Shareholder redemption requests.

**Development and Acceptance of Bitcoin and Ether.** As relatively new products and technologies, Bitcoin and Ether are not yet widely adopted as a means of payment for goods and services. Banks and other established financial institutions may refuse to process funds for Bitcoin or Ether transactions, process wire transfers to or from Bitcoin or Ether exchanges, cryptocurrency-related companies or service providers, or maintain accounts for persons or entities transacting in cryptocurrency. Market capitalization for cryptocurrency as a medium of exchange and payment method may always be low. Further, the use of Bitcoin or Ether as international currencies may be hindered by the fact that they may not be considered as legitimate means of payment or legal tender in some jurisdictions. To date, speculators and investors seeking to profit from either short- or long-term holding of Bitcoin or Ether drive much of the demand for them, and competitive products may develop which compete for market share. Further, certain Bitcoin or Ether or payment systems may be the subject of a U.S. or foreign patent application (*i.e.*, JP Morgan Chase Bank's patent application for "Alt-Coin" with the United States Patent & Trademark Office), successfully patented, or, alternatively, mathematical cryptocurrency network source codes and protocols may be patented or owned or controlled by a public or private entity. The Clients could be adversely impacted if Bitcoin or Ether fail to expand into retail and commercial markets.

**Development and Acceptance of the Cryptocurrency Networks.** The growth and use of cryptocurrency generally, and the Bitcoin or Ether network specifically, is subject to a high degree of uncertainty. Indeed, the future of the industry likely depends on several factors, including, but not limited to: (a) economic and regulatory conditions relating to both fiat currencies and cryptocurrency; (b) government regulation of the use of and access to cryptocurrency; (c) government regulation of cryptocurrency service providers, administrators or exchanges; (d) the domestic and global market demand for—and availability of—other forms of cryptocurrency or payment methods; and, (e) uniquely regarding Bitcoin or Ether, the security, integrity and adoption of the Bitcoin or Ether network source code protocol. Any slowing or stopping of the development or acceptance of Bitcoin or Ether or the Bitcoin or Ether network may adversely affect an investment in the Clients.

**Cryptocurrency Tax Implications.** On March 25, 2014, the Service issued a notice regarding certain U.S. federal tax implications of transactions in, or transactions that use, virtual currency (the "Notice"). According to the Notice, virtual currency is treated as property, not currency, for U.S. federal tax purposes, and "[g]eneral tax principles applicable to property transactions apply to transactions using virtual currency." In part, the Notice provides that the character of gain or loss from the sale or exchange of virtual currency depends on whether the virtual currency is a capital asset in the hands of the taxpayer. Accordingly, in the U.S., certain transactions in virtual currency are taxable events and subject to information reporting to the Service to the same extent as any other payment made in property. Additionally, the Service recently issued a revenue ruling regarding certain tax consequences of "hard forks" and "airdrops" of a cryptocurrency (the "Revenue Ruling"). The Revenue Ruling provides that a taxpayer does not have gross income as a result of a hard fork of a cryptocurrency the taxpayer owns if the taxpayer does not receive units of a new cryptocurrency. However, an airdrop of a new cryptocurrency following a hard fork generally results in ordinary income to the taxpayer if the taxpayer receives units of new cryptocurrency.

Although the Service has issued the Notice and the Revenue Ruling, the U.S. Department of Treasury and the Service may publish future guidance that provides for adverse tax consequences to the Clients and investors in the Clients. Investors should be aware that tax laws and Regulations change on an ongoing basis, and that they may be changed with retroactive effect. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent or transparent. As a result, the U.S. federal tax consequences of investing in the Clients are uncertain.

**Government Oversight of Cryptocurrency Exchanges.** FinCEN—the U.S. federal agency charged with administering U.S. anti-money laundering ("AML") laws and regulations—issued guidance titled, FIN-2013-G001: *Application of FinCEN's Regulations to Persons Administering, Exchanging, or Using Virtual Currencies* (Mar. 18, 2013), categorizing convertible virtual currency administrators and exchangers as money services businesses. The FinCEN guidance defines an exchanger as "a person engaged as a business in the exchange of virtual currency for real currency, funds or other virtual currency" and an administrator as "a person engaged as a business in issuing (putting into circulation) a virtual currency and who has the authority to redeem (to withdraw from circulation) such virtual currency." Users of Bitcoin and Ether were not directly affected by

the guidance. Since the issuance of the guidance, FinCEN has published several administrative rulings, providing additional information on whether certain conduct related to convertible virtual currency renders a person or entity a money transmitter under FinCEN regulations, including the guidance titled, FIN-2019-G001: *Application of FinCEN's Regulations to Certain Business Models Involving Convertible Virtual Currencies*, in which FinCEN affirmed its longstanding regulatory framework for virtual currencies; and an advisory titled, FIN-2019-A003: *Advisory on Illicit Activity Involving Convertible Virtual Currency*, to assist financial institutions in identifying and reporting suspicious activity related to criminal exploitation of convertible virtual currencies for money laundering, sanctions evasion, and other illicit financing purposes.

The FinCEN guidance and administrative rulings have clear consequences for companies that handle or transact with convertible virtual currencies (such as Bitcoin and Ether) to a degree in which they are engaged in money transmission. Under FinCEN's regulations, a person or entity engaging in money transmission must register as a "money services business," develop an AML program and adhere to U.S. federal reporting and recordkeeping requirements.

In the United States, the essential elements of an AML program are set out in the Bank Secrecy Act implementing regulations (31 CFR Chapter X): (1) a system of internal controls; (2) independent testing for compliance; (3) the designation of an individual to coordinate and monitor day-to-day compliance; and (4) training of appropriate personnel. An AML program should establish and implement risk-based policies and procedures designed to prevent facilitation of money laundering or the funding of terrorism, including the reporting of suspicious transactions with FinCEN. Failure of a money services business to register as a money services business, develop and adequately implement an AML program or adhere to U.S. federal reporting and recordkeeping requirements may result in severe civil and criminal penalties for the money services business and/or those individuals who operate it.

On the state level, companies that handle virtual currencies may also have to comply with the separate state licensing practices for money transmitters, and a growing number of states have sought specific legislation, adopted rules, or provided guidance on the regulation of virtual currencies.

**Risks Relating to Acceptance of Bitcoin and Ether.** Although Bitcoin and Ether, as the first decentralized, virtual currencies, currently enjoy the majority of the market share, several other virtual currencies have since emerged, including Ripple, Litecoin, PPCoin and Terracoin. Further, other virtual currencies or payment systems may be the subject of a U.S. or foreign patent application (*i.e.*, JP Morgan Chase Bank's patent application for "Alt-Coin" with the United States Patent & Trademark Office), successfully patented, or, alternatively, Bitcoin-Qt and Ether-Qt may be patented or owned or controlled by a public or private entity. The Clients could be adversely impacted if Bitcoin or Ether fail to retain their market share, use of Bitcoin or Ether contracts, or they fail to expand into retail and commercial markets. Either scenario may increase Bitcoin's or Ether's volatility or decrease their value (price).

#### **Risks Related to Cryptocurrency Exchanges**

***General.*** The cryptocurrency exchanges on which Bitcoin and Ether trade are relatively new and generally unregulated and may therefore be more exposed to theft, fraud and failure than established, regulated exchanges for other products. Cryptocurrency exchanges may be start-up businesses with no institutional backing, limited operating history and no publicly available financial information. Exchanges generally require cash to be deposited in advance in order to purchase cryptocurrency, and no assurance can be given that those deposit funds can be recovered. Additionally, upon sale of cryptocurrency, cash proceeds may not be received from the exchange for several business days. The participation in exchanges requires users to take on credit risk by transferring cryptocurrency from a personal account to a third-party's account. The Clients will take credit risk of an exchange every time it transacts.

Cryptocurrency exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of cryptocurrency for fiat currency difficult or impossible. Additionally, cryptocurrency prices and valuations on cryptocurrency exchanges have been volatile and subject to influence by many factors including the levels of liquidity on exchanges and operational interruptions and disruptions. The prices and valuation of cryptocurrency remains subject to any volatility experienced by cryptocurrency exchanges, and any such volatility can adversely affect an investment in the Clients.

Cryptocurrency exchanges are appealing targets for cybercrime, hackers and malware. It is possible that while



engaging in transactions with various cryptocurrency exchanges located throughout the world, any such exchange may cease operations due to theft, fraud, security breach, liquidity issues, or government investigation. In addition, banks may refuse to process wire transfers to or from exchanges. Exchanges may even shut down or go offline voluntarily, without any recourse to investors. Furthermore, an exchange may be unable to replace missing Bitcoin or Ether or seek reimbursement for any theft of Bitcoin or Ether, adversely affecting investors and an investment in the Clients.

Any financial, security or operational difficulties experienced by such exchanges may result in an inability of the Clients to recover money or Bitcoin or Ether being held by the exchange, or to pay investors upon redemption. Further, the Clients may be unable to recover Bitcoin or Ether awaiting transmission into or out of the Clients, all of which could adversely affect an investment in the Clients. Additionally, to the extent that the Bitcoin or Ether exchanges representing a substantial portion of the volume in Bitcoin or Ether trading are involved in fraud or experience security failures or other operational issues, such Bitcoin or Ether exchanges' failures may result in loss or less favorable prices of Bitcoin or Ether, or may adversely affect the Clients, their operations and investments, or Investors.

***Limited Exchanges on Which to Trade Bitcoin or Ether.*** The Clients may trade on a limited number of exchanges (and potentially only a single exchange) because of actual or perceived counterparty or other risks related to a particular exchange. Trading on a single exchange may result in less favorable prices and decreased liquidity for the Clients and therefore could have an adverse effect on the Clients and Investors.

***Non-U.S. Operations.*** Bitcoin and Ether exchanges may operate outside of the United States. The Clients may have difficulty in successfully pursuing claims in the courts of such countries or enforcing in the courts of such countries a judgment obtained by the Clients in another country.

***Risks of Buying or Selling Bitcoin and Ether.*** The Clients may transact with private buyers or sellers or cryptocurrency exchanges. The Clients will take on credit risk every time they purchase or sell Bitcoin or Ether, and their contractual rights with respect to such transactions may be limited. Although the Clients' transfers of Bitcoin or Ether or cash will be made to or from a counterparty which One River Digital believes is trustworthy, it is possible that, through computer or human error, or through theft or criminal action, the Clients' Bitcoin or Ether or cash could be transferred in incorrect amounts or to unauthorized third parties. To the extent that the Clients are unable to seek a corrective transaction with such third party or are incapable of identifying the third party which has received the Clients' Bitcoin or Ether or cash (through error or theft), the Clients will be unable to recover incorrectly transferred Bitcoin or Ether or cash, and such losses will negatively impact the Clients. Certain cryptocurrency exchanges may place limits on the Clients' transactions, or the Clients may be unable to find a willing buyer or seller of Bitcoin or Ether. To the extent the Clients experience difficulty in buying or selling Bitcoin or Ether, investors may experience delays in subscriptions or payment of redemption proceeds, or there may be delays in liquidation of the Clients' Bitcoin or Ether—adversely affecting the Net Asset Value of the Clients.

Actual proceeds from the sale of Bitcoin or Ether may not reflect trading prices or market quotations, and receiving proceeds may be time consuming and expensive.

***Risks Relating to Government Oversight.*** The regulatory schemes—both foreign and domestic—possibly affecting Bitcoin or the Bitcoin or Ether network may not be fully developed as of the Clients' inception. It is possible that any jurisdiction may, in the near or distant future, adopt laws, regulations, policies or rules directly or indirectly affecting the Bitcoin or Ether network, generally, or restricting the right to acquire, own, hold, sell, convert, trade, or use Bitcoin or Ether, or to exchange Bitcoin or Ether for either fiat currency or other cryptocurrency. It is also possible that government authorities may claim ownership over Bitcoin-Qt or Ether-Qt or law enforcement agencies (of any or all jurisdictions, foreign or domestic) may take direct or indirect investigative or prosecutorial action related to, among other things, the use, ownership or transfer of Bitcoin or Ether, resulting in a change to its value or to the development of the Bitcoin's or Ether's network.

***U.S. Federal Regulatory Authorities.***

***CFTC.*** The Commodity Futures Trading Commission ("CFTC") has not to date made a formal statement asserting its regulatory authority over Bitcoin, Ether or over any participants in the Bitcoin or Ether network. In addition, the CFTC has not to date promulgated any regulations specifically addressing Bitcoin or Ether or the activities of participants in the Bitcoin or Ether network. However,

as the primary regulator of derivatives (*i.e.*, futures, options and swaps), the CFTC has jurisdiction over all such digital currency-linked derivatives, including the platforms that list them and the clearinghouses that clear them.

While the CFTC regulatory authority over cryptocurrency generally only extends to cryptocurrency derivatives, the CFTC has indicated that it does have a limited level of oversight over direct trading of cryptocurrencies.

To the extent the Clients' activities are viewed as holding or offering Bitcoin or Ether derivatives (including futures, options and swaps), the Clients, One River Digital, or one or more companies in which they invest, may be required to register and comply with additional regulation under the Commodity Exchange Act.

**SEC.** The SEC has not formally asserted regulatory authority over Bitcoin, Ether or over any participants in the Bitcoin's or Ether's networks. In addition, the SEC Chairman Clayton, in 2018, stated that cryptocurrencies, such as Bitcoin and Ether, "are replacements for sovereign currencies" and that such type of currency "is not a security".

With respect to other cryptocurrencies, on April 3, 2019, the SEC published a framework aimed at assisting in determining whether a cryptocurrency is a security (the "Framework"). Alongside the Framework, the SEC also published a no-action letter for TurnKey Jet, Inc. (the "TurnKey Letter"), which marks the first ever no-action letter regarding cryptocurrencies. Per the Framework and the TurnKey Letter, cryptocurrencies cannot be used to raise capital without implicating U.S. securities laws.

To the extent that Bitcoin and Ether could in the future unexpectedly be deemed to fall within the definition of a security under rulemaking by the SEC, the Clients may be required to comply with additional regulations. Such associated compliance costs could adversely affect an investment in the Clients.

**FinCEN.** To the extent that the Clients engage in money services business activity, including money transmission, as defined by FinCEN, the Clients may be deemed to fall within the Bank Secrecy Act's definition of a financial institution, and subject to the Bank Secrecy Act, 31 U.S.C. §§ 5311-5314; 5316-5330, and its implementing regulations, and as such required to register as a money services business. The Clients would also be required to develop an AML program and adhere to U.S. federal reporting and recordkeeping requirements.

**State Regulatory Authorities.** To the extent that the activities of the Clients cause them to be deemed "money transmitters" under State statutes or regulations, they may incur significant fees in becoming licensed in each State in which they do business, and may also be required to adhere to State statutes or regulations. To the extent that a state requires an additional license or registration for activities involving digital currencies that require the Client to obtain a license or register with the state for their activities involving digital currency, they may incur significant fees in becoming licensed/registered in those States, and may also be required to adhere to the State's statutes or regulations. States may impose fines or penalties with respect to any unlicensed activity. Accordingly, to the extent the Clients are operating without appropriate licenses, they may be subject to fines or penalties, and/or criminal liability under State laws or 18 U.S.C. § 1960, if applicable. Such additional regulatory obligations may cause the Clients to incur extraordinary expenses and ongoing expenses, possibly affecting an investment in the Clients in a material and adverse manner. To the extent the Clients limits or reduces the scope of certain Clients activities, investors' rights or investment initiatives, in order to limit the applicability of government regulation and supervision over the Clients, investment in the Clients may be adversely affected.

**Foreign Jurisdictions.** Various foreign jurisdictions may adopt policies, laws, regulations or directives that affect Bitcoin and Ether or the Bitcoin's and Ether's network, generally. Such additional foreign regulatory obligations may cause the Clients to incur extraordinary expenses and ongoing expenses, possibly affecting an investment in the Clients in a material and adverse manner.

To the extent Bitcoin and Ether are not recognized as legal currencies, are determined to be securities,

commodity interests or other regulated assets, or a U.S. or foreign government or quasi-governmental agency exerts regulatory authority over Bitcoin and Ether use, exchange, trading and ownership, the Net Asset Value of the Clients may be adversely affected. Any additional regulatory obligations may cause the Clients to incur extraordinary, non-recurring expenses, and/or ongoing compliance expense, possibly affecting an investment in the Clients in an adverse manner. If the Clients determine not to comply with such regulatory requirements, the Clients may be liquidated at a time that is disadvantageous to an investor in the Clients. To the extent the Clients limit or reduce the scope of certain activities, investors' rights or investment initiatives, in order to limit the applicability of government regulation and supervision, investment in the Clients may be adversely affected.

**Risks Relating to Bitcoin and Ether Price Volatility.** A principal risk in trading Bitcoin or Ether is the rapid fluctuation of their market price. High price volatility undermines Bitcoin's and Ether's role as medium of exchange as retailers are much less likely to accept it as a form of payment. The value of the Shares relates directly to the value of the Bitcoin or Ether held in the Clients and fluctuations in the price of Bitcoin or Ether could adversely affect the Clients' Net Asset Value. There is no guarantee that the Clients will be able to achieve a better than average market price for Bitcoin or Ether or will purchase Bitcoin or Ether at the most favorable price available. The price of Bitcoin and Ether achieved by the Clients may be affected generally by a wide variety of complex and difficult to predict factors such as Bitcoin or Ether supply and demand; rewards and transaction fees for the recording of transactions on the block chain; availability and access to cryptocurrency service providers (such as payment processors), exchanges, miners or other Bitcoin and Ether users and market participants; perceived or actual Bitcoin or Ether network or Bitcoin or Ether security vulnerability; inflation levels; fiscal policy; interest rates; and political, natural and economic events.

To the extent the public demand for Bitcoin and Ether were to decrease, or the Clients were unable to find a willing buyer, the price of Bitcoin and Ether could fluctuate rapidly, and the Clients may be unable to sell the Bitcoin and Ether in their possession or custody. Investors in the Redemption Queue will remain subject to the risk of price fluctuations of Bitcoin and Ether until they are fully redeemed from the Clients. Further, if the supply of Bitcoin or Ether available to the public were to increase or decrease suddenly due to, for example, a change in the Bitcoin or Ether source code, the dissolution of a cryptocurrency exchange, or seizure of Bitcoin or Ether by government authorities, the price of Bitcoin or Ether could fluctuate rapidly. Such changes in demand and supply of Bitcoin and Ether could adversely affect an investment in the Clients. In addition, governments may intervene, directly and by regulation, in the Bitcoin and Ether market, with the specific effect, or intention, of influencing Bitcoin and Ether prices and valuation (*e.g.*, releasing previously seized Bitcoin and Ether). Similarly, any government action or regulation may indirectly affect the Bitcoin and Ether market or Bitcoin and Ether network, influencing Bitcoin and Ether use or prices.

Currently, there is relatively modest use of Bitcoin and Ether in the retail and commercial marketplace compared to its use by speculators, thus contributing to price volatility that could adversely affect an investment in the Clients. If future regulatory actions or policies limit the ability to own or exchange Bitcoin and Ether in the retail and commercial marketplace, or use them for payments, or own them generally, the price and demand for Bitcoin and Ether may decrease. Such decrease in demand may result in the termination and liquidation of the Clients at a time that may be disadvantageous to Investors, or may adversely affect the Clients' Net Asset Value.

The Clients will compete with direct investments in Bitcoin and Ether and other potential financial vehicles backed or linked to Bitcoin or Ether. Any change in market and financial conditions, or other conditions beyond the Clients' control, may make investment and speculation in Bitcoin and Ether more attractive, which could limit the supply of Bitcoin and Ether and increase or decrease liquidity.

**Risks Relating to Loss or Destruction of Bitcoin and Ether.** Bitcoin and Ether are intended to be controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which the Bitcoin or Ether are held. To the extent private keys relating to the Clients' Bitcoin or Ether holdings are lost, destroyed or otherwise compromised, the Clients will be unable to access the related Bitcoin or Ether and such private keys are not capable of being restored by the Bitcoin or Ether networks. Any loss of private keys relating to digital wallets used to store the Clients' Bitcoin or Ether could adversely affect an investment in the Clients. Further, Bitcoin and Ether are transferred digitally, through electronic media not controlled or regulated by any entity. To the extent a Bitcoin or Ether transfers erroneously to the wrong destination, the Clients may be unable to recover the Bitcoin or Ether or their value. Such loss could adversely affect an investment in the Clients.

**Risks Relating to Irrevocable Bitcoin and Ether Transactions.** Just as the block chain creates a permanent, public record of Bitcoin or Ether transactions, it also creates an irrevocable one. Transactions that have been verified, and thus recorded as a block on the block chain, generally cannot be undone. Even if the transaction turns out to have been in error, or due to theft of a user's Bitcoin or Ether, the transaction is not reversible. The Clients may be unable to replace missing Bitcoin or Ether or seek reimbursement for any erroneous transfer or theft of Bitcoin or Ether. To the extent that the Clients are unable to seek redress for such action, error or theft, such loss could adversely affect an investment in the Clients.

**Risks Relating to Third Party Wallet Providers.** The Clients intend to use third party wallet providers to hold the Clients' investments in cryptocurrency. The Clients may have a high concentration of its cryptocurrency in one location or with one third party wallet provider, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware, or cyber-attacks. The Clients are not required to maintain a minimum number of wallet providers to hold the Clients' Bitcoin and Ether. The Clients' information technology diligence on third party wallet providers, which includes an annual review of the providers' System and Organization Controls (SOC) reports and an annual re-evaluation of such providers and their information technology systems, may not identify all security vulnerabilities and risks associated with such providers. Certain third party wallet providers may not indemnify the Clients against any losses of cryptocurrency. Cryptocurrency held by third parties could be transferred into "cold storage" or "deep storage," in which case there could be a delay in retrieving such cryptocurrency. The Clients may also incur costs related to third party storage. Any security breach, incurred cost or loss of cryptocurrency associated with the use of a third party wallet provider, may adversely affect an investment in the Clients.

**Risks Relating to Bitcoin and Ether Security.** The Clients intend to use third party wallet providers to secure the Clients' Bitcoin and Ether. The Clients may, however, employ other systems to safeguard cryptocurrency holdings, such as "cold storage" or "deep storage," which may increase the time required to access certain cryptocurrencies, and may, therefore, delay liquidation of the Clients' Bitcoin or Ether or payment of redemption proceeds, which could have a material adverse effect on the Clients' Net Asset Value s. The systems in place to secure the cryptocurrency may not prevent the improper access to, or damage or theft of the Clients' Bitcoin or Ether. Further, a security breach could harm the Clients' reputation or result in the loss of some or all of the Clients' Bitcoin or Ether. Any such security breach or leak of non-public information relating to the security of the Clients' Bitcoin or Ether may adversely affect an investment in the Clients.

**Risks Relating to Bitcoin and Ether Hackers.** Hackers or malicious actors may launch attacks to steal, compromise, or secure Bitcoin and Ether, such as by attacking the Bitcoin or Ether network source code, exchange servers, third-party platforms, cold and hot storage locations or software, or Bitcoin or Ether transaction history, or by other means. The Clients may be in control and possession of one of the largest holdings of Bitcoin and Ether. As the Clients increase in size, they may become a more appealing target of hackers, malware, cyber-attacks or other security threats. As a result, the Clients will undertake efforts to secure and safeguard the Bitcoin and Ether in their custody from theft, loss, damage, destruction, malware, hackers or cyber-attacks, which may add significant expenses to the operation of the Clients. There can be no assurance that such security measures will be effective. The Clients may be unable to replace missing Bitcoin or Ether or seek reimbursement for any theft of Bitcoin or Ether, adversely affecting an investment in the Clients.

**Risks Relating to Lack of Transparency.** Given the type and extent of the security measures necessary to adequately secure Bitcoin and Ether, Investors will not fully know how the Clients stores or secures their Bitcoin and Ether or the Clients' complete holding of Bitcoin and Ether at any time.

**Risks Relating to Reliance on Cryptocurrency Service Providers.** Due to audit and operational needs, there will be individuals who have information regarding the Clients' security measures. Any of those individuals may purposely or inadvertently leak such information. Further, several companies and financial institutions (including banks) provide support to the Clients related to the buying, selling, and storing of cryptocurrency. To the extent service providers no longer support the Clients or cannot be replaced, an investment in the Clients may be adversely affected.

**Risks Relating to the Bitcoin and Ether Network Integrity and Security.** The source code used to form the Bitcoin and Ether is attributed to "Satoshi Nakamoto" a pseudonym to a presently unidentified individual or group of individuals who may be acting alone or in concert with a government, government organization or group with malevolent tendencies. As such, only the portions of the source code that have been made public have been analyzed with regards to operation, ability to generate Bitcoin and Ether, and to conduct transactions

in the previously described manner. There may exist an unseen portion of the original code wherein a pre-existing sub-routine and/or virus has been placed which will activate at a future time (determined by the original code writer(s)) causing disruptions to the block chain and/or resulting in substantial losses, theft of Bitcoin and Ether, unauthorized transactions and the issuance of duplicate Bitcoin and Ether.

Further, since the identity of the original code writer(s) is not known, one cannot discount the possibility of the same unknown individual(s) inserting and/or activating a sub-routine or artifact allowing said person(s) to manipulate a portion of the Bitcoin or Ether programming and/or block chain itself to the benefit of this individual(s) (*i.e.*, by programming a portion of each Bitcoin or Ether to transfer to such individual's Bitcoin or Ether wallet).

While One River Digital undertakes every effort to ensure the highest levels of data protection and information assurance internally, at some points during the act of transferring a Bitcoin or Ether into or out of the Clients' platform (during Download or Upload) the Clients' platform requires interfacing with outside entities whose methods, practices and standards may be outside of the Clients' control or who may be under the influence of bad actors. Events may occur where corrupted Bitcoin or Ether, viruses and/or attachments are introduced into the Clients' platform, which could compromise the Clients' operation or result in loss of Bitcoin or Ether, adversely affecting an investment in the Clients.

There exists the possibility that while acquiring or disposing of Bitcoin or Ether, the Clients unknowingly engage in transactions with bad actors who are under the scrutiny of government investigative agencies. As such, the Clients' systems or a portion thereof may be taken off-line pursuant to legal process such as the service of a search and/or seizure warrant. Such action could result in the loss of Bitcoin or Ether previously under the Clients' control.

The development team and administrators of the Bitcoin or Ether network's source code could propose amendments to the networks' protocols and software that, if accepted and authorized, or not accepted, by the Bitcoin and Ether network community, could adversely affect the supply, security, value, or market share of Bitcoin and Ether and thus an investment in the Clients. Further the Clients may be adversely affected by a manipulation of the Bitcoin or Ether source code.

**Malicious Actor or Botnet.** Malware is software used or programmed by malicious actors to disrupt computer operation, gather sensitive information or gain access to private computer systems. "Botnet" refers generally to a group of computers that use malware to compromise computers whose security defenses have been breached. To the extent that a malicious actor, cyber-criminal, computer virus, hacker, or botnet (e.g., ZeroAccess) obtains a majority of the processing power on the Bitcoin or Ether network; alters the source code and block chain on which all Bitcoin or Ether transactions rely; or prevents the use, transfer, ownership, or integrity of Bitcoin or Ether, an investment in the Clients could be adversely affected.

**Forking.** If Bitcoin and Ether miners solve a block at approximately the same time, it causes a "fork" in the block chain. The Bitcoin and Ether network software and protocols try to resolve forks by automatically giving priority to the longest block chain in the fork. If forks are unresolved there are effectively two Bitcoin and two Ether networks operating at the same time, each with its own version of the transaction history. This creates an increased risk of receiving a double-spend transaction, and a general systemic risk to the integrity and security of the Bitcoin and Ether network.

To the extent that a significant majority of users and miners on the Bitcoin or Ether network install software that changes the Bitcoin or Ether network or properties of Bitcoin or Ether, including the irreversibility of transactions and limitations on the mining of new Bitcoin or Ether, the Bitcoin or Ether network would be subject to new protocols and software that may result in a "fork" of the Bitcoin or Ether network, adversely affecting an investment in the Clients. Similarly, if less than a significant majority of users and miners on the Bitcoin or Ether network install such software, the Bitcoin or Ether network could "fork," which may adversely affect an investment in the Clients. To the extent that any temporary or permanent forks exist in the block chain, an investment in the Clients may be adversely affected.

**Mining Incentives.** If rewards and transaction fees are not properly matched to the efforts of miners, miners may not have an adequate incentive to continue mining. Miners ceasing operations could reduce the collective processing power on the Bitcoin or Ether network, adversely affect the validation process for transactions, and, generally, make the network more vulnerable. Further, if a single miner or a mining pool gains a majority share

in the Bitcoin or Ether network's computing power, the integrity of the block chain may be affected. A miner or mining pool could reverse Bitcoin or Ether transactions, make double-spend transactions, prevent confirmations or prevent other miners from mining valid blocks. Each of these scenarios could reduce confidence in the validation process or processing power of the network, and adversely affect an investment in the Clients.

As the number of Bitcoin or Ether awarded for solving a block in the block chain decreases, the incentive for miners to continue to contribute processing power to the Bitcoin or Ether network may transition from a set reward to transaction fees. Either the requirement from miners of higher transaction fees in exchange for recording transactions in the block chain or a software upgrade that automatically charges fees for all transactions may decrease demand for Bitcoin or Ether and prevent the expansion of the Bitcoin or Ether network to retail merchants and commercial businesses, resulting in a reduction in the Net Asset Value of the Clients.

To the extent that any miners cease to record transactions in solved blocks, transactions that do not include the payment of a transaction fee will not be recorded on the block chain until a block is solved by a miner who does not require the payment of transaction fees. Any such delays in the recording of transactions could result in a loss of confidence in the Bitcoin or Ether network, which could adversely impact an investment in the Shares.

**Changes to Underlying Protocol.** In general, the underlying software protocols which govern the operation of Bitcoin or Ether network are open source and anyone can use, copy, modify, and distribute them. The Clients make no guarantee of the functionality, security, or availability of underlying protocols. Some underlying protocols are subject to consensus-based proof of stake validation methods which may allow, by virtue of their governance systems, changes to the associated blockchain or digital ledger ("Governance Modifiable Blockchains"). Any transaction made by the Clients validated on such Governance Modifiable Blockchains may be affected accordingly. Further, the underlying protocols are subject to sudden changes in operating rules (a/k/a "forks"), and such forks may materially affect the value, function, and/or even the name of Bitcoin or Ether stores in Investors' accounts. In the event of a fork, One River Digital may temporarily suspend the Clients' operations (with or without notice to Investors) and One River Digital may, in its sole discretion, decide whether or not to support (or cease supporting) either branch of the forked protocol entirely. The Clients assumes absolutely no liability, obligation or responsibility whatsoever in respect to the operation of underlying software protocols, transactions affected by Governance Modifiable Blockchains, or an unsupported branch of a forked protocol and, accordingly.

**Risks Relating to Legal Claims.** To the extent that the creation, use or circulation of Bitcoin or Ether, or the Bitcoin or Ether network, generally, violates any foreign or domestic statute or regulation (such as the Stamp Payments Act of 1862 or US. federal counterfeiting statutes), or government, quasi-government, or private-individuals assert intellectual property claims against the Bitcoin or Ether network source code or related mathematical algorithms, the Clients could be adversely affected. The Clients cannot verify the legitimacy of claims to ownership of Bitcoin or Ether invested in the Clients. To the extent that any individual, institution, government or other authority asserts a claim of ownership or wrongful possession over the Bitcoin or Ether in the custody of the Clients, the Clients could be adversely affected. Regardless of the merit of such legal action, confidence in Bitcoin or Ether and the Bitcoin or Ether network may adversely affect an investment in the Clients.

**Risks of Uninsured Losses.** Though the Clients may seek to insure their Bitcoin and Ether holdings, it may not be possible, either because of a lack of available policies or because of prohibitive cost, for the Clients to obtain insurance of any type that would cover losses associated with Bitcoin or Ether. If an uninsured loss occurs or a loss exceeds policy limits, the Clients could lose a portion or all of their assets. The Clients' Bitcoin and Ether are not covered by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation.

## **ITEM 9 – DISCIPLINARY INFORMATION**

One River is required to disclose all material facts regarding any legal or disciplinary events that would be material to an Investor's evaluation of One River or the integrity of its management. One River has no legal or disciplinary information to disclose at this time.

**ITEM 10 – OTHER FINANCIAL INDUSTRY  
ACTIVITIES AND AFFILIATIONS**

<p><b>Item 10.A</b>  <b>If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker- dealer, disclose this fact.</b></p>
<p>Not applicable to One River.</p>
<p><b>Item 10.B</b>  <b>If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</b></p>
<p>One River is currently registered with the Commodity Futures Trading Commission and is a member of the National Futures Association as a swap firm and commodity pool operator. In connection therewith, certain personnel of One River are also listed as principals and/or registered as associated persons of One River.</p>
<p><b>Item 10.C</b>  <b>Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.</b></p> <ol style="list-style-type: none"> <li>1. broker-dealer, municipal securities dealer, or government securities dealer or broker</li> <li>2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)</li> <li>3. other investment adviser or financial planner</li> <li>4. futures commission merchant, commodity pool operator, or commodity trading advisor</li> <li>5. banking or thrift institution</li> <li>6. accountant or accounting firm</li> <li>7. lawyer or law firm</li> <li>8. insurance company or agency</li> <li>9. pension consultant</li> <li>10. real estate broker or dealer</li> <li>11. sponsor or syndicator of limited partnerships</li> </ol>
<p>One River is of the view that it does not have any material relationships or arrangements with any related persons listed above.</p>
<p><b>Item 10.D</b>  <b>If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</b></p>
<p>Not applicable to One River.</p>



## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### Item 11.A

**If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any *client* or prospective *client* upon request.**

One River's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to One River's "Access Persons." One River has deemed all of its employees that have direct access to the portfolio to be Access Persons.

The Code sets forth a standard of business conduct that takes into account One River's status as a fiduciary to the Clients and requires Access Persons to place the interests of Clients above their own interests and the interests of One River. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of One River's Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide One River's Chief Compliance Officer with a list of their personal accounts and an initial holdings report listing the holdings of such personal accounts within 10 days of becoming an Access Person. In addition, One River's Access Persons must provide annual holdings reports and quarterly transaction reports detailing, respectively, the holdings and quarterly transactions in their personal accounts in accordance with Advisers Act Rule 204A-1.

The Code also describes One River's duty to protect material non-public information about securities/investment recommendations provided to (or made on behalf of) the Clients. Underlying these policies and procedures are two primary principles. First, confidential information must be maintained in confidence. Second, employees of One River who possess non-public information, whether or not it is material, must not trade in the securities affected by such information, must not disclose such information to anyone who does not have a legitimate need to know it and must immediately disclose such information to the Chief Compliance Officer.

Investors/Clients or prospective Investors/Clients may obtain a copy of the Code by contacting One River's Chief Compliance Officer at [will.wallin@oneriveram.com](mailto:will.wallin@oneriveram.com).

### Item 11.B

**If you or a *related person* recommends to *clients*, or buys or sells for *client* accounts, securities in which you or a *related person* has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

As explained in Item 4.A. above, One River serves as the investment adviser to the Clients, and may serve in a similar capacity to other pooled investment vehicles or separately managed accounts in the future.

The fact that One River employees may have financial ownership interests in certain Clients creates a potential conflict in that it could cause One River to make different investment decisions than if such parties did not have such financial ownership interests. Such potential conflicts are addressed by the personal securities transaction pre-clearance and reporting requirements described in Item 11. A. and 11. C.

One River seeks to address these potential conflicts through regular monitoring of the Clients' portfolios for consistency with objectives, strategies, and investment guidelines. Further, the One River's investment personnel carefully consider the risks involved in any investments and One River provides extensive disclosure to Investors regarding the potential risks that come with an investment in the Clients. As stated in Item 11.A., the Code requires Access Persons to place the interests of the Clients over their own or those of One River, and all Access Persons are required to acknowledge their receipt and understanding of the Code.

Further, One River receives management fees and performance-based compensation. The management fees are payable without regard to the overall success or income earned by the Clients and therefore may create an incentive on the part of One River to raise or otherwise increase assets under management to a higher level than would be

the case if One River were receiving a lower or no management fee. Performance-based compensation may create an incentive for One River to make investments that are riskier or more speculative than in the absence of such performance-based compensation. Please refer to Items 5 and 6 above for additional information relating to the fees and compensation payable to One River in connection with services provided to the Clients.

**Item 11.C**

**If you or a *related person* invests in the same securities (or related securities, *e.g.*, warrants, options or futures) that you or a *related person* recommends to *clients*, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.**

One River Access Persons are permitted to make certain securities transactions in their personal accounts. This presents potential conflicts in that an employee could make improper use of information regarding the Clients' holdings or future transactions or research paid for by the Client. Although unlikely, an Access Person could theoretically take for himself or herself an investment opportunity available to a Client.

One River manages the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains strict pre-clearance and reporting requirements for Access Persons. One River requires that Access Persons pre-clear certain transactions, including any virtual currency transactions with the Chief Compliance Officer. Further details are available in the Code which is available to Investors upon request.

If deemed necessary, One River may maintain a "Restricted List" with the names of issuers of securities about which One River or its affiliates (including Access Persons) have (or may have) obtained material, non-public information. In addition, One River receives transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The Chief Compliance Officer or his designee also reviews Access Persons' personal transaction and holdings reports to help ensure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

**Item 11.D**

**If you or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time that you or a *related person* buys or sells the same securities for your own (or the *related person's* own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

Please refer to responses to Items 11.A, 11.B, and 11.C.

## ITEM 12 – BROKERAGE PRACTICES

### Item 12.A.1

Describe the factors that you consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

**Research and Other Soft Dollar Benefits.** If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.

In selecting brokers or dealers to effect portfolio transactions on behalf of the Clients, One River considers such factors as price, the ability to effect the transactions, the brokers' or dealers' facilities, reliability and financial responsibility, special execution capabilities, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, efficiency of execution and error resolution, quotation services, the availability of stocks to borrow for short trades, custody, recordkeeping and similar services, and any research or investment management-related services and equipment provided by such brokers or dealers. One River need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

One River does not utilize soft dollars.

### Item 12.A.2

**Brokerage for Client Referrals.** If you consider, in selecting or recommending broker-dealers, whether you or a *related person* receives *client* referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

- a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.
- b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.

Not applicable to One River.

### Item 12.A.3

**Directed Brokerage.**

- a. If you routinely recommend, request or require that a *client* direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their *clients* to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of *client* transactions, and that this practice may cost *clients* more money.
- b. If you permit a *client* to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of *client* transactions. Explain that directing brokerage may cost *clients* more money. For example, in a directed brokerage account, the *client* may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the *client* may receive less favorable prices.

One River does not have directed brokerage arrangements.

### Item 12.B

Discuss whether and under what conditions you aggregate the purchase or sale of securities for various *client* accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to *clients* of not aggregating.

One River recognizes its duty to seek to treat all of its clients fairly and equitably. Consistent with this overriding principle, One River has adopted procedures regarding the allocation of investment opportunities and the combination and allocation of orders.

## ITEM 13 – REVIEW OF ACCOUNTS

### Item 13.A

**Indicate whether you periodically review *client* accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the *Access Persons* who conduct the review.**

The Clients are under continuous review by the investment personnel of One River, which include the Chief Investment Officer, the Chief Risk Officer, and the Portfolio Manager (“Account Reviewers”). Such reviews include a review of investment performance, the suitability of the investments used to meet policy and investment objectives. Account Reviewers consider, among other things, investment performance, and the overall portfolio’s sensitivity to economic and market changes, and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return.

### Item 13.B

**If you review client accounts on other than a periodic basis, describe the factors that trigger a review**

Please see Item 13.A. The Clients’ investments are under continuous review.

### Item 13.C

**Describe the content and indicate the frequency of regular reports you provide to *clients* regarding their accounts. State whether these reports are written.**

The nature and frequency of reports are negotiated with each Client or Investor, as applicable.

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

### Item 14.A

If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Not applicable to One River.

### Item 14.B

If you or a related person directly or indirectly compensates any person who is not your Access Person for client referrals, describe the arrangement and the compensation.

Not applicable to One River.

## ITEM 15 – CUSTODY

**If you have custody of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.**

In accordance with Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), One River is deemed to have custody of certain Client assets; namely, the private investment funds that One River manages (included in its Form ADV Part 1, Schedule D). One River is not deemed to have custody of its separately managed account Clients (when applicable).

All of the Clients’ assets are held with one or more “qualified custodians” as defined in the Custody Rule (i.e., banks or broker-dealers) that are unaffiliated with One River.

With respect to the Clients for which One River is deemed to have custody, One River is exempt from the quarterly account statement delivery obligations under the Custody Rule and from the surprise audit requirement of the Custody Rule because such Clients are subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (“PCAOB”). Investors will not receive statements from the custodian. Instead, the Clients’ audited financial statements prepared in accordance with generally accepted accounting principles will be distributed to each Investor within 90 days (or no more than 120 days) of each Client’s fiscal year end.

Investors in the Clients generally receive statements from One River and the Client administrator. These statements should be carefully reviewed. Investors are urged to compare such statements to the information provided to them in the audited financial statements provided by the Clients’ auditor.

Information pertaining to the custody arrangements of the Clients’ Bitcoin and Ether is included in the Clients’ Governing Documents.

## ITEM 16 – INVESTMENT DISCRETION

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

In accordance with the terms and conditions of the applicable Client's Governing Documents, One River has discretionary authority to manage the investment activities on behalf of the Clients. As explained in Item 4.C above, the Clients' investment strategies are set forth in detail in such Client's Governing Documents. Investors must execute a subscription agreement in which they make various representations, including representations regarding their eligibility to invest in the Clients. Further, prospective Investors must execute a subscription agreement for the Clients, a limited partnership agreement or a limited liability company agreement (as the case may be), in which they make various representations, including representations regarding their suitability to invest in the respective Client. Such agreements include a power of attorney. For separately managed accounts, Clients will execute an advisory agreement with applicable representations.

## ITEM 17 – VOTING CLIENT SECURITIES

### Item 17.A

**If you have, or will accept, authority to vote *client* securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your *clients* can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your *clients* with respect to voting their securities. Describe how *clients* may obtain information from you about how you voted their securities. Explain to *clients* that they may obtain a copy of your proxy voting policies and procedures upon request.**

The Clients' Governing Documents generally give One River authority to vote proxies received on behalf of its Clients. To the extent that One River has or operates its discretion to vote a proxy, One River understands its role as a fiduciary to its Clients and obligation to vote proxies in its Clients' best interests.

Investors generally do not have the ability to direct proxy votes. Investors may obtain additional information regarding how One River voted proxies and may obtain a copy of One River proxy voting policies and procedures by contacting William Wallin at [will.wallin@oneriveram.com](mailto:will.wallin@oneriveram.com).

It should be noted that based on One River's investment strategy it is expected that no or very little proxy voting will be required.

### Item 17.B

**If you do not have authority to vote *client* securities, disclose this fact. Explain whether *clients* will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) *clients* can contact you with questions about a particular solicitation.**

Please see Item 17.A above.



## ITEM 18 – FINANCIAL INFORMATION

### Item 18.A

If you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, include a balance sheet for your most recent fiscal year.

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.
2. Show parenthetically the market or fair value of securities included at cost.
3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.

Not applicable to One River.

### Item 18.B

If you have *discretionary authority* or *custody* of *client* funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to *clients*.

One River is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Clients or Investors.

### Item 18.C

If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

One River has not been the subject of any such bankruptcy petition.